

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 93-696-C - ORDER NO. 93-1137 *vc*

DECEMBER 16, 1993

IN RE: Application of Dial Page, Inc. for) ORDER GRANTING
 Authorization to Issue Common Stock.) AUTHORIZATION TO
) ISSUE COMMON STOCK

Dial Page, Inc. ("Applicant") comes before the Public Service Commission of South Carolina (the "Commission") seeking authority to issue shares of common stock in connection with two separate transactions described below. Commission approval of the issuance of Dial Page stock is required by S.C. Code Ann. §58-11-240 (1976) since Applicant holds a Certificate of Public Convenience and Necessity issued by the Commission to provide radio common carrier service to the public in the State of South Carolina.

Applicant is a Delaware corporation authorized to do business in South Carolina, the business of which is providing radio common carrier and other telecommunications service in the States of Florida, Georgia, South Carolina, North Carolina, Tennessee, and Virginia. Dial Page holds a Certificate of Public Convenience and Necessity issued by this Commission to provide radio common carrier service in most of South Carolina. Applicant's stock trades publicly in the over-the-counter ("NASDAQ") market under the symbol "DPGE." Financial information concerning Dial Page appears in its annual report on file with the Commission and in the materials filed with the Application in this matter.

The original Application in this matter, and the Addendum filed subsequently, seek authority to issue Dial Page common stock in connection with Applicant's business plan of developing a region-wide two-way communications system using digital Specialized Mobile Radio ("SMR") technology and equipment. Dial Page plans to develop and market this service through wholly-owned subsidiaries, which will pursue the development of the SMR system both by filing for Federal Communications Commission authorizations to provide SMR service, and by acquiring existing SMR businesses. Initial capitalization of the eventual SMR system came through purchase of Dial Page stock and warrants for proceeds of \$27,875,000.00, approved by this Commission in Order No. 93-631 issued July 14, 1993. Since that date, Dial Page has concluded negotiations to acquire through merger the business and assets of Transit Communications Corporation ("Transit") and Advanced Mobile Communications of North Carolina, Inc. ("AMI"), (also known as "Advanced Mobilcomm of North Carolina, Inc."). Also, Dial Page has prepared an offering of notes of Dial Call Communications, Inc., a wholly-owned subsidiary of Dial Page through a private offering. Although Dial Page will neither issue nor guaranty the notes to be issued by Dial Call Communications, Inc., warrants to purchase Dial Page stock will be combined with certain of the notes to be issued by Dial Call Communications, Inc. and issuance of the stock upon exercise of these warrants requires Commission approval under Section 58-11-240. The two transactions in connection with which approval is sought herein are described below.

The Transit Merger

By Agreement dated as of September 2, 1993, Dial Page entered into an Agreement and Plan of Merger and Plan of Reorganization pursuant to which Dial Page is to acquire through merger into a Dial Page subsidiary the business and assets of Transit and AMI. Transit owns, or has pending applications for, FCC authorizations to provide SMR service in Florida and Georgia. AMI owns, or has pending applications for, FCC authorizations to provide SMR service in North Carolina. The purpose of the Transit and AMI mergers is to acquire the existing SMR facilities of each of these companies, together with their issued and pending FCC authorizations to provide SMR service. Under the Agreement and Plan of Merger, Dial Page will deliver between 9,440,000 and 9,548,108 shares of Dial Page common stock together with warrants to acquire an additional 200,000 shares of Dial Page stock to Transit's shareholders, in exchange for the 10,248,778 issued and outstanding shares of Transit common stock. Under the Agreement and Plan of Merger, Dial Page will deliver 1,400,000 shares of its common stock to the AMI shareholder in exchange for AMI's 100 issued and outstanding shares. Following consummation of the mergers, Transit and AMI will be second-tier subsidiaries of Dial Page.

The Dial Call Communications, Inc. Debt Offering

Dial Call Communications, Inc., a wholly-owned subsidiary of Dial Page, was created to finance and develop construction of the region-wide SMR system described in the Application and this Order. The construction of the SMR system envisioned by Dial Page's management will require significant capital. Dial Call

Communications intends to raise a portion of the capital required to construct the SMR system through a private placement, not requiring registration under the Securities Act of 1933, of investment units consisting of Senior Notes due 2005 and warrants to purchase Dial Page stock. Dial Page's investment bankers, Merrill Lynch & Co. and Alex Brown & Sons, Incorporated, have advised Dial Page that they believe it advantageous in offering the Senior Notes due 2005 to include the warrants to purchase Dial Page stock. Dial Page has sought authority to issue up to 750,000 shares of its common stock pursuant to the warrants to be issued with the Senior Notes due 2005. Each warrant will permit the holder to purchase one share of Dial Page stock at a price equal to 110% of the market price of Dial Page stock on the date the warrant is issued. The final number of warrants to be issued, up to 750,000, will be determined when the Senior Notes due 2005 and warrants are priced by negotiation between Dial Page and its underwriters. The warrants will be exercisable beginning 40 days after issuance, and expire 5 years after issuance. Although Commission approval is not required for issuance of the Senior Notes due 2005 or the warrants, Dial Page seeks approval to issue the stock to be issued upon exercise of the warrants.

Having reviewed the Application and the Addendum thereto, the exhibits to each, and other information submitted by the Applicant, the Commission believes the Applicant's request for authority to issue common stock pursuant to the Agreement and Plan of Merger for acquisition of Transit and AMI, and upon exercise of the warrants to be issued with the Dial Call Communications, Inc. Senior Notes

due 2005 should be approved and the requested authority granted. The Commission finds the purpose of issuing Dial Page shares in exchange for the stock of Transit and AMI to acquire the business of Transit and AMI is a proper purpose. In addition, the Commission finds that the issuance of stock pursuant to warrants to be issued in the Dial Call Communications, Inc. debt offering is a proper purpose. The value of the business and assets of Transit and AMI have been determined by negotiation between unrelated parties at arm's length, and the Dial Page shares to be issued upon exercise of the warrants described herein will be purchased for cash equal to the public market price of Dial Page shares on the date the warrants are issued, plus a premium of 10%. The Commission finds, further, that the securities for which authorization is sought, up to 11,500,000 shares of common stock in consummation of the Transit and AMI mergers, and up to 750,000 shares upon exercise of the warrants, are reasonably necessary to implement the Transit and AMI mergers, and facilitate the Dial Call Communications, Inc. debt offering, having found that the purposes of the issuance of securities proposed by Applicant satisfy the requirements of Section 58-11-240.

IT IS THEREFORE ORDERED:

1. That Dial Page, Inc. be, and it is hereby authorized, empowered, and permitted to issue up to 11,500,000 shares of its common stock to consummate the Transit and AMI mergers, including up to 200,000 shares to be issued upon exercise of the Transit warrants, as described in the Application. The Commission notes that by approving the stock issuance, it is not approving the

proposed mergers.

2. That Dial Page, Inc. be, and it is hereby authorized, empowered, and permitted to issue up to 750,000 shares of its common stock upon exercise of the warrants to be issued as part of an investment unit with Dial Call Communications, Inc.'s Senior Notes due 2005, as described in the Addendum to the Application.

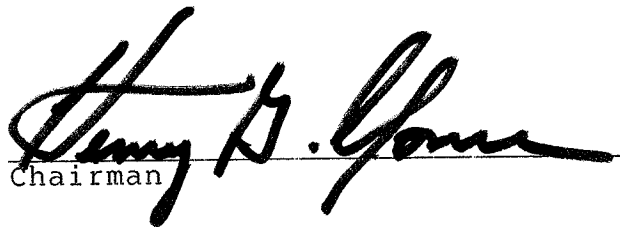
3. That, with respect to the shares authorized in paragraphs 1 and 2 above, this Order is deemed the Certificate of Authority described in Section 58-11-240.

4. Approval of the Application and Addendum does not bind the Commission as to the ratemaking treatment of the issuance.

5. This Order shall not, in any way, affect or limit the right, duty, or jurisdiction of the Commission to investigate, order revisions, modifications, or changes with respect to the provisions of this Order in accordance with the law.

6. This Order shall be effective upon issuance and shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)